

**STATEMENT OF DR. GALE BUCHANAN
UNDER SECRETARY FOR RESEARCH, EDUCATION & ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE**

**BEFORE THE
U.S. HOUSE COMMITTEE ON AGRICULTURE
SUBCOMMITTEE ON CONSERVATION, CREDIT, ENERGY & RESEARCH
WASHINGTON, DC**

MAY 10, 2007

Chairman Holden, Ranking Member Lucas, and distinguished members of the Committee, it is a great pleasure to be here this morning to discuss the United States Department of Agriculture's (USDA) research, extension and education programs and the Administration's 2007 Farm Bill proposals. I appreciate the committee's interest in these programs that are so critical to our nation's future.

The success of American agriculture is attributable, in large part, to advances in science and technology generated by the USDA's research, extension, and education agencies, in partnership with the nation's land-grant universities and other cooperators. Science has served as a vitally important foundation for our agricultural system and its ability to provide this nation and the world with its needs for food, fiber and feed of our livestock.

While there has been excellent success in the past we must look to not only immediate scientific needs, but build an even stronger foundation to maintain our world leadership in agriculture. This is imperative if this nation's agricultural system is to continue as a world leader and not be severely stifled by the ever increasing disease threats, changing world market competition, drought and other natural impacts. For example, there is an immediate and long term need for scientific answers on how our agricultural system can play an important role in meeting our nation's need for greater energy security. The Administration's Title VII 2007 Farm Bill proposals provide organizational changes and specific funding to help meet the immediate and long term scientific needs of American agriculture.

As Under Secretary for Research, Education and Economics, I am responsible for four agencies charged with advancing science in agriculture, the Agricultural Research Service (ARS), the Cooperative State Research, Education and Extension Service (CSREES), the Economic Research Service (ERS) and the National Agricultural Statistics Service (NASS).

ARS is USDA's principal in-house research agency with over 2000 scientists at over 100 locations around the nation and in four foreign countries. The mission of ARS is to conduct research to develop and transfer solutions to agricultural problems of high national priority and provide information access and dissemination to: ensure high-quality, safe food, and other agricultural products; assess the nutritional needs of Americans; sustain a competitive agricultural economy; enhance the natural resource

base and the environment; and provide economic opportunities for rural citizens, communities, and society as a whole.

CSREES' unique mission is to advance knowledge for agriculture, the environment, human health and well-being, and communities by supporting research, education, and extension programs in the land-grant university system and other partner organizations. CSREES does not perform actual research, education, and extension functions but rather helps fund such programs at the state and local level and provides programmatic leadership in these areas.

ERS is a primary source of economic information and research in the U.S. Department of Agriculture. With 450 employees, ERS conducts research and economic analysis programs to inform public and private decision-making on economic and policy issues involving food, farming, natural resources, and rural development.

NASS is the Department's primary statistical agency and provides official USDA crop and livestock production, economic, and environmental data on agriculture and rural America. NASS conducts hundreds of surveys every year and prepares reports covering virtually every aspect of U.S. agriculture including: production and supplies of food and fiber, prices paid and received by farmers, farm labor and wages, farm finances, chemical use, and changes in the demographics of U.S. producers. NASS is also responsible for the Census of Agriculture.

USDA is continually striving to further enhance its science-based programs for the betterment of American agriculture. The Administration's Farm Bill proposals fully recognize this fact and places a high priority on strengthening our system.

As the "People's Department" we seek and consider input from our stakeholders, outside experts, and governing bodies, among others, to ensure that we work effectively to meet the needs of people across the nation and around the world. Input received—that points to the need for reorganization—includes, but is not limited to, input received through Congress and other stakeholders. At the direction of Congress, USDA has requested key studies of REE mission area research by experts of the National Academies that resulted in recommendations for better coordination, integration, and execution of USDA research programs, and a finding that "the current organizational structure limits the combined effectiveness of the REE agencies" (National Research Council, 2003). Land-grant universities have also called for consolidation of USDA's research agencies.

We heard from the American public through the Farm Bill Forums led by Secretary Johanns and research was a major theme in all of the sessions.

From Indiana, we heard during a USDA listening session, "...we get the highest return on investment on those dollars as about any money that's going to be spent in the farm bill. And that allows us to be low-cost producers of a safe and reliable food and fiber source." And, from Delaware we heard, "It's imperative that the next farm bill will provide support for continuing research and education. The future of American agriculture will

depend on it. Technological advances in agriculture will help the next generation of American farmers.”

Several speakers mentioned that the Department’s dual research structure of ARS/Land Grant Universities has strengths and weaknesses. The intellectual and political challenges these institutions face have never been more numerous or challenging. Others stressed the need for more coordination of USDA’s overall research funding strategy.

The Administration’s farm bill proposals seek to address these issues and to improve the efficiency of the research, extension, and education programs in the Department. Specifically, the Administration is recommending the following proposals for the 2007 Farm Bill:

1. Consolidate USDA’s Agricultural Research Service (ARS) and the Cooperative State Research, Education, and Extension Service into a single agency named the Research, Education, and Extension Service (REES) which will coordinate both intramural and extramural research, extension, and education programs.
2. Rename the Research, Education, and Economics (REE) mission area the Office of Science.
3. Establish an annual \$50 million Agricultural Bio-Energy and Bio-Based Products Research Initiative to advance fundamental scientific knowledge for the improved production of renewable fuels and bio-based products.
4. Establish an annual \$100 million Specialty Crop Research Initiative to provide science-based tools for the specialty crop industry.
5. Authorize USDA to conduct research and diagnostics for highly infectious foreign animal diseases on mainland locations in the United States.
6. Invest an additional \$10 million in mandatory funding to be available until expended for organic research. This new funding would focus on conservation and environmental outcomes and new and improved seed varieties especially suited for organic agriculture.

The following is more detailed information on each of these proposals.

REORGANIZATION:

Historically, an important foundation to the success of American agriculture has been USDA’s research, education and extension programs. Federal investments, along with those of our land-grant universities and other partners, have assured that these programs are world leading. For this potential to be fully realized, the agricultural research, education, and extension system must have well-coordinated and critical leadership in place to address the complex roles for agriculture. In addition, there are increasing expectations to use limited federal and state resources optimally. To maintain and

advance as a world leader in agriculture research, education, and extension the REE mission area needs to continually assure that it is effectively and efficiently identifying priorities and managing resources. In view of this commitment and the public input as previously mentioned, the Administration is recommending the reorganization of USDA's research, education, and economics mission area.

We have established five principles that will guide our new organizational structure development:

Principle 1. The reorganization process has a clear purpose with focused objectives to establish a program management scheme, based on agency functions, that assures closely coordinated decision making, accountability, relevancy, and program interoperability.

Principle 2. The foundation that underpins the reorganization is continuity of the Department's mission and goals and continued focus on national priorities.

Principle 3. The reorganization process will encourage open and clear communication with stakeholders and will continue to consider their input.

Principle 4. The reorganization will not address funding levels, balance of funding, or authorities.

Principle 5. The reorganization will incorporate current agency missions, functions, and responsibilities—to enhance integration of national program staff and programs both internally and externally, to assure coordination, relevance and quality.

The desired outcomes of the proposed reorganization include:

- Improved planning and coordination of intramural and extramural research, education, and extension by a unified staff for each program area;
- Increased emphasis on multidisciplinary work that engages all relevant disciplines
- Focused resource allocation to generate substantial and measurable progress toward meeting national needs;
- Robust evaluation of intramural and extramural activities within high-priority, integrated areas of science for relevance, quality, and impact before, during and after implementation;
- Enhanced responsiveness of the agricultural science community to emerging and existing high priority issues;
- Maximized effectiveness of agricultural education and extension systems through focused national leadership and decentralized nationwide implementation
- Highly informed decision making and priority setting with streamlined methods to obtain stakeholder input and promote shared learning.

The proposed reorganization of the USDA's Research, Education, and Economics (REE) mission area is outlined here in terms of the broad conceptual framework for the new

organization and the implementation framework required to establish the new organization.

OFFICE OF SCIENCE:

The reorganized mission area office which is now named Research, Education, and Economics will be renamed the Office of Science (OS), which is consistent with the manner in which several other Federal Departments and agencies designate their science efforts. The Office of Science will have responsibility for the newly created Research, Education and Extension Service (REES), formed from the existing Agricultural Research Service and the Cooperative State Research, Education, and Extension Service, as well as the Economic Research Service (ERS) and the National Agricultural Statistics Service (NASS).

The responsibilities of the Office of Science will be to develop science policy and implement research, education, and extension programs for our nation's agricultural system. The Office of Science also will identify opportunities and act on issues that will have long-term national implications. The research, education and extension programs of USDA will remain under the leadership of a Sub-Cabinet official and will serve as a clearly identifiable single scientific resource for agriculture.

REES will be under the primary leadership of a Chief Scientist with authority for program offices, program implementation and administrative and resource management. The Chief Scientist will report to the Under Secretary for the Office of Science.

Current formula funding authorities will be retained. Appropriated funding will be under the authority of the new agency leader. The Chief Scientist, in consultation with the Under Secretary, will have administrative responsibility to allocate funds as appropriated by Congress. All current formula funding authorities, including Hatch, McIntire-Stennis, Smith-Lever, as well as authorities for 1890, 1994 and Hispanic Serving Institutions would be retained.

The proposal also provides for a merger of the national program staffs of ARS and CSREES. A single national program staff supporting both intramural and extramural research and education programs would be far more effective in communication, coordination, and planning.

Following concurrence on the described conceptual framework, the reorganization will be implemented following a functional and program integration analysis (program function, relationships, and impacts), and in accordance with USDA regulation 1010 (USDA, 2006), which specifies the requirements for detailed analysis of reorganization proposals within USDA. USDA will also complete a detailed Civil Rights Impact Analysis in accordance with USDA Office of Civil Rights regulation 4300-4 (USDA, 2003) including:

- Budget analyses (cost of reorganization and annual operating costs), and

- Human resources analyses (personnel), including Civil Rights impact.

AGRICULTURAL BIOENERGY AND BIOBASED PRODUCTS RESEARCH INITIATIVE

President Bush has provided strong guidance and leadership in our nation's commitment to achieving greater energy security. In his State of the Union speech this year, the President announced a bold initiative to reduce gasoline consumption by 20% over the next 20 years and replace it with renewable alternative fuels such as ethanol and by improving the fuel economy of cars and light trucks.

The Administration's Farm Bill proposal provides \$50 million in annual mandatory spending over a ten year period for the creation of the Agricultural Bio-Energy and Bio-Based Products Research Initiative to enhance the production and conversion of biomass to renewable fuels and bioproducts. These funds will support a USDA bio-energy and bio-based product laboratory network utilizing existing USDA research facilities as well as engaging the nation's land-grant and other universities through a competitive process and connecting them to the laboratory network.

The new initiative will focus research and development efforts on two objectives: 1) improving biomass production and sustainability and 2) improving biomass conversion in biorefineries. Through this initiative we will be better able to take full advantage of USDA's internal and external research programs together with the network of extensive knowledge and capabilities that reside within the land-grant universities and other research institutions throughout the United States. These activities will be closely coordinated with the Department of Energy (DOE), and its national laboratories and centers of excellence and other components of the Federal government.

American agriculture has been highly successful in capturing the sun's energy and supplying our nation with an abundant food and fiber supply. Through increased research and technology, we can continue this record of success and move our nation toward greater energy independence.

SPECIALTY CROPS

The Administration is also recommending the establishment of a Specialty Crop Research Initiative supported by \$100 million in annual mandatory funding over a ten year period to provide science-based tools for the specialty crop industry.

Fruits, vegetable, horticultural plants, and other specialty crops are essential to healthy diets and the economic viability of American agriculture. However, specialty crop producers face unique challenges including pests and diseases; harvesting and processing issues; domestic cost pressures (including labor issues); and the uncertainty of international markets. Enhanced research, extension, and education programs are needed to help the specialty crop industry address these challenges.

During the Farm Bill listening sessions we repeatedly heard the call for an increased investment in research for specialty crops. For example, Charles from Georgia noted that “federal investment in agricultural research dedicated to the economic vitality and long-term viability of United States specialty crops has been extremely limited...Federal investments in research for specialty crop production, processing, marketing and consumption which influence public access to these vital commodities must be re-emphasized in the next farm bill.”

And Tom, at the California forum, stated: “Specialty crops are vital to the health and well-being of all Americans, and increased consumption of specialty crops will provide tremendous health and economic benefits to both consumers and growers...The next Farm Bill must address specialty crop issues much more effectively than in the past Farm Bills...Policy areas that the next Farm Bill must address, with respect to the unique needs of specialty crop growers, include the following: specialty crop block grants, international trade, nutrition, marketing, invasive pest and disease issues, research, competitive grants, and conservation programs.”

In addition to input from commodity and trade groups, the National Agricultural Research, Education, Extension and Economics (NAREEE) Advisory Board has identified specialty crops as a high priority and a unique opportunity to strengthen American agriculture.

Funding recommended in the Administration’s proposal will provide for the creation of a Specialty Crop Research Initiative to address critical needs throughout the specialty crops industry in all regions of the U.S. Some of the specific issues to be addressed include: plant breeding, genetics, genomics, food safety and quality, production efficiency, and mechanization.

FOREIGN ANIMAL DISEASE RESEARCH

Research and diagnostics for highly infectious foreign animal disease agents, such as Foot and Mouth Disease (FMD) and Rinderpest viruses, are currently confined to an off shore location at the Plum Island Animal Disease Center (PIADC). The Department of Homeland Security (DHS) has initiated a process to move all the functions of PIADC to a new facility to be named the National Bio and Agro Defense Facility (NBAF). In anticipation that this facility will be built on the U.S. mainland, USDA must be authorized to conduct important foreign animal disease research on FMD and other select diseases at the new facility.

Research, diagnostics and training as well as vaccine development and evaluation are critical components to fighting and mitigating the effects of these diseases and securing the U.S. food and agricultural system. Without this research, U.S. farmers and our entire food system would be at greater risk.

The Administration proposes specific authorization for USDA to conduct research and diagnostics for highly infectious disease agents, such as FMD and Rinderpest on the U.S. mainland.

ORGANIC RESEARCH

The Administration's 2007 Farm Bill proposal also includes \$10 million in mandatory funding to be available until expended for organic research. This new funding would focus on conservation and environmental outcomes and new and improved seed varieties especially suited for organic agriculture. This initiative will provide new technologies to help solve some of the unique challenges facing this growing segment of the agriculture industry.

Thank you again for the opportunity to testify before the House Agriculture Committee regarding the Administration's 2007 Farm Bill proposals to strengthen the nation's agricultural research, extension and education programs. I look forward to hearing your comments and responding to your questions.

Thank you.